

SEMINAR ON DEMURRAGE

THEME:

**HOW TO AVOID CONTAINER DEMURRAGE –
PERSPECTIVE OF GRA-CUSTOMS**

BY

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INTRODUCTION

- The average Ghanaian importer is now over-burdened with routine payment of exorbitant demurrage, storage and ground rent charges at the Ports.
- Consequently, the cost of doing business in Ghana is growing unbearably high particularly, with industrial raw materials imports and the high supply chain cost in general.

COMMON CAUSES OF DEMURRAGE

- Incompetent Customs House Agents
- Lack of funds required for cargo clearance
- Poor knowledge about import procedure and customs documentation
- Lack of proper scheduling of import consignment and handling

REMEDIES OF DEMURRAGE

- **Incompetent Customs House Agents:**
 - tracking of import arrival at Port
 - pre-filing of documents properly devoid of mistakes
 - having good knowledge about import procedures and customs documentation in order to guide the importer in advance
 - coordinating with shipping liner for the documents required for obtaining Delivery Order well in advance to avoid delay

REMEDIES OF DEMURRAGE

- **Lack of proper scheduling of import consignment and handling :**
 - ability to liaise with logistics and transport managers to ensure valid contract for movement of cargo from terminals to the premise/warehouse/factory of the importer.
 - ability to ensure that modern equipment are available to handle any specialised cargo
 - ability to negotiate for extension of extra free time with Port and Terminal managers for importer

REMEDIES OF DEMURRAGE

- **Poor knowledge about import procedure and customs documentation:**
 - be abreast with modernised Customs import documentation processes and procedures
 - be knowledgeable in all trade facilitation initiatives that are currently being implemented.
 - Update with the current flow chart of Paperless Port policy, changes in notifications on the Customs tariffs, requirements of GPHA and other stakeholders
 - have good experience and ample knowledge on policies and programmes to improve port efficiency and trade facilitation
 - have knowledge on important documents like inspection certificate, analysis report, technical write-up and any permit which is prerequisites for import clearance

REMEDIES OF DEMURRAGE

- **Lack of funds required for cargo clearance:**
- **To avoid demurrages the planning for finance is most essential**
 - Requirements of funds like customs duty, port expenses, liner charges to obtain D.Os, Customs House Agents charges etc.
 - proper planning of funds flow
 - availability for payment to appropriate bodies at the right time

CONCLUSION

- **DEMURRAGE IS AN AVOIDABLE COST , LET'S ALL ENDEAVOUR TO AVOID DEMURRAGE**
- **THANK YOU**